

LNF & IHCIF Calculations Illustration

- SONOMA CTY H in California area -

Given Data

- 3,890 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 45% = % Expenditures on purchased services, 55% = % expenditures in-house
- 134.2% = Cost index for purchasing health care in this geographic area
- 116.3% = Size cost index for in-house costs due to small or large size
- 95.9% = California area cost index for health status above or below average

Cost Adjustment Calculations

- \$1,800 per person for purchased services = $45\% * 134.2\% * \$2,980$
- \$1,905 per person for in-house services = $55\% * 116.3\% * \$2,980$
- \$3,705 per person total = \$1,800 (purchase) + \$1,905 (in-house)
- **\$3,554 per person total** adjusted for health status = $\$3,705 * 95.9\%$
- **\$2,809 per person net cost** = $\$3,554 - \745 Other resources (M&M&PI)

Existing Expenditures (for 3,890 users excluding wrap-around and collections)

- \$936 per person = local IHS allowance (excludes \$ for wrap-around)
- \$222 per person = expenditures elsewhere in California area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,211 per person for OU users** = $\$936 + \$222 + \$54$

LNF Calculation

- **34.1% Gross LNF** = $\$1,211$ (expenditures) / $\$3,554$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **43.1% Net LNF** = $\$1,211 / \$2,809$ net cost ($\$3,554 - \745 other)

IHCIF Allocation

- \$1,844,949 = \$ to raise LNF% from 43.1% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$64,352 Allocation** = $\$1,844,949$ needed for 60% * 3.488% IHCIF fraction

SONOMA CTY H Unmet Needs

- **\$10,927,805 Net Total Need** = 3,890 users * \$2,809 net cost
- **\$6,216,071 Net Unmet Need** = $(100\% - 43.1\% \text{ LNF}) * 3,890 \text{ users} * \$2,809 \text{ net cost}$